

# Automatic Rollover IRA

## What is an automatic rollover IRA?

An automatic rollover is a distribution of an account for terminated employees who have a balance below the plan's cash out threshold. Common cash out thresholds are \$7,000 and \$5,000. Please note that the employer can set the threshold to less than \$7,000 in their plan document, but it cannot be more than \$7,000. It is important to note that this automatic distribution does not occur unless the former employee neglects to take a distribution. Participants can review their Summary Plan Description to determine whether a cash out threshold applies to their plan.

**\*Please note - Rollover balances often are excluded in the account balance minimum.**

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## Who does Sentinel use for automatic rollover IRA's?

We value our relationships with our clients and participants and it is always of the utmost importance to us that we partner with like-minded providers. Industry knowledge and a drive to do what is right for our clients and participants are at the core of what we do. It's this focus that ultimately resulted in us choosing to work with **PenChecks Trust**. Founded in 1994, PenChecks Trust is a leader in their field. They are the largest independent processor of outsourced retirement plan distribution services in the country, distributing nearly \$1 billion in payments annually. PenChecks' goal is to make the process safe, secure and easy – right in line with what we value at Sentinel.

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## What does the sweep process look like?

Each week, we send letters to participants who meet a plan's sweep criteria. These letters are sent by postal mail to the home address on file. The letter we send explains that action is needed and outlines the simple steps to log in and provide distribution instructions. As always, our Service Center is available to help participants with any questions they may have.

In the letter, we advise participants that if they don't take action, a rollover IRA will be established for them at PenChecks. After waiting **40 days** from the date the letter is issued, we will complete the rollover to PenChecks.

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## What follow up does PenChecks do and what service do they provide?

Once the rollover IRA is established at PenChecks, a welcome letter will be sent explaining how you can claim your account. Access to the account is available online and PenChecks also has a bilingual, US-based call center available to account holders.

Once an account is claimed and the account holder is verified, the payout of the account happens in 5-7 days. PenChecks offers ACH, wire and check payment options. To help combat fraud, PenChecks utilizes the same real-time bank account number verification provider Sentinel uses. For those who do not respond or claim their account, PenChecks continues to attempt to locate the account holder. They conduct an annual address search for non-responsive account holders and also send an annual paper communication reminding the account holder of the account and how to claim it.

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## Does PenChecks charge a fee for the rollover IRA?

Fees are assessed and disclosed by PenChecks and are subject to change. Generally, the following schedule of fees applies:

- a. Set-up Fee - 20% of account balance not to exceed \$30.
  - b. Account Maintenance Fee - \$3.25 per month for recordkeeping at the individual IRA level.
  - c. Account Closeout & Distribution Fee - 20% not to exceed \$30.
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### **How do I contact PenChecks?**

For assistance, you can email [MyIRA@PenChecks.com](mailto:MyIRA@PenChecks.com) or call (844) 44-MYIRA. The mailing address is PenChecks Trust Company of America, 8580 La Mesa Blvd, Suite 100, La Mesa, CA 91942.

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### **How do I request a distribution of my funds from PenChecks?**

Call or email as noted above, or log into [MyBenefitElection.com](https://MyBenefitElection.com). To log in, you will enter first and last name and SSN. You will then be able to complete your benefit election preferences and submit the required information through PenChecks' secure online portal.

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